

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3884
ANSWERED ON:17.08.2001
DISTRESS SALE BY COFFEE PRODUCERS
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(

(a) whether the Government are aware that small farmers engaged in coffee growing are forced to sell their produce at a price less than their production cost due to economic liberalisation and open import; (

(b) if so, whether it has affected the production of coffee; and (

(c) if so, the steps being taken by the Government to provide relief to small farmers engaged in coffee growing?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH)

(a) & (b) : No, Sir. However, in the recent times, due to surplus coffee production by producing countries leading to a mismatch between demand and supply, the prices of coffee both in global and domestic markets have been witnessing a downward trend. As such, the coffee growers are not getting the same price for their produce which they were getting 2-3 year ago.

The production of coffee has been increasing year after year and the production of coffee during 2000-01 was 3.01 lakh tonnes as compared to 2.92 lakh tonnes during the previous year. The estimated production of coffee for the current year is 3.17 lakh tonnes.

(c) : The Government of India, through Coffee Board, besides operating several plan schemes and developmental activities aimed at intensive cultivation, quality up-gradation and water augmentation, has also been providing necessary support in the form of research, extension, arrangement of credit and finance and other back up support like supply of seed for planting purposes etc. Further, thrust is being given for increasing productivity of coffee particularly in the small grower sector and improving quality of the product to achieve competitiveness in the international markets. The Board is also encouraging the large growers to produce specialty coffees which fetches attractive premiums in developed countries like USA and European Union.

Recently, at the behest of the Government of India, the Reserve Bank of India / NABARD has issued instructions to commercial banks to reschedule the crop loans of coffee growers and also to extend fresh working capital loans to coffee sector as a relief to the growers.